

EXHIBIT

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CHAPTER SEVEN

Compensated Outside Services

7.1 Introduction

Full-time faculty members appointed to The University of Tennessee agree to devote themselves to UT's mission of teaching, research, and public service. Fulfillment of these responsibilities demands a full-time, 100% commitment to normal University duties, including remaining current in the discipline to which the faculty member is appointed. For many faculty members, an important part of keeping up-to-date lies outside the classroom, laboratory, and library: it involves testing one's academic skills and abilities by applying them to real-world problems. The University encourages the faculty to engage in consulting and other related outside services which are associated with an individual faculty member's appointment and which develop his/her professional expertise. By these means, many faculty members improve their disciplinary skills; they serve educational institutions and professional organizations, business, industry, and government; and they bring positive recognition to The University.

University-wide policies governing compensated outside activities by faculty require each campus to establish procedures to ensure that professional development of the faculty is encouraged and, at the same time, ensure that faculty meet their regular University responsibilities in a timely and effective manner. The following guidelines represent a compilation of the University-wide policies and implementing guidelines specifically applicable to faculty governed by the Faculty Handbook for The University of Tennessee, Knoxville.

7.2 General Principles

1. Full-time faculty members appointed to The University of Tennessee must devote themselves to the University's mission of teaching, research, and public service. Fulfillment of these responsibilities demands a full-time commitment to normal University duties, including remaining current in the discipline to which the faculty member is appointed.
2. While compensated outside activities may be valuable for both faculty and the University, the primary responsibility of a faculty member is to fulfill the teaching, research/scholarship/creative achievement, and service commitments of her/his full-time appointment to the University. Faculty members have a responsibility not to undertake external activities that substantially burden or interfere with commitments to the University. A full-time appointment includes an obligation to maintain a meaningful presence on behalf of the University in the performance of responsibilities. This obligation means being accessible on campus to students, staff, and colleagues. Compensated outside activities must not result in a conflict of interest or a conflict of commitment with respect to the faculty member's University duties.
3. As outside compensated activities are not part of the full-time commitments of a faculty member, they cannot be substituted for commitments of a faculty member to teaching, research/scholarship/creative activity, and service within the University. Correspondingly, the annual review of the performance of a faculty member is based only on her/his regular responsibilities and duties as part of her/his full-time commitments to the University which are

negotiated annually and must be consistent with the Handbook and applicable bylaws. The primary responsibility for assessing the value of compensated outside activities rests in the academic departments and their bylaws.

4. College and/or departmental bylaws may define the nature and allowable time commitments of appropriate compensated outside activities for a faculty member in the unit beyond these guidelines. Administrative officers such as deans or department heads who believe that a faculty member has engaged in compensated outside activities in a manner inconsistent with these guidelines or applicable bylaws, may initiate appropriate action. In such cases, a faculty member has the right to the appeals processes described in Chapter 5 of this Handbook.
5. These policy guidelines primarily concern long-term or continuing/recurring short-term arrangements between faculty members and clients. These guidelines do not apply to activities such as:
 - o Occasional, short-term activities (which are typically not compensated except for modest honoraria), which include but are not limited to, publication and/or editing of research/scholarship/creative activity, participation in symposia, accreditation visits, research paper presentations, professional licensing board examination questions, exhibitions, recitals, or extra-service pay.
 - o Compensated activities conducted in the summer by faculty who serve in an academic-year appointment.
 - o Faculty compensation through grants and contracts. See Fiscal Policy on Sponsored Grants and Contracts.
6. These guidelines shall be construed to be consistent with the University's policies regarding conflict of interest, ownership of commercial ventures, intellectual property, and Faculty Handbook provisions regarding academic freedom as stated in Chapter 2.

7.3 Specific Guidelines

1. During the conduct of compensated outside activities, faculty members must not make any use of the name of The University of Tennessee or of any of its constituent institutions (e.g., campuses or institutes) for any purpose other than professional identification; nor may she/he claim any University or institutional responsibility for the conduct or outcome of such activities.
2. Should a faculty member wish to pursue compensated outside activities, the faculty member and her/his department head must agree about the faculty development benefits that will be gained by the planned activities, as part of the annual review process. If after the review, a faculty member has an opportunity to pursue a new compensated outside activity or if any significant changes to an agreed plan from the last annual review occur, the faculty member must report the situation to her/his department head, and develop a new or revised plan with the head's concurrence.
3. Nine-month faculty members are expected to perform university-related activities for a nine-month academic year. Thus, nine-month faculty members should limit their total compensated outside services to no more than twenty percent (20%) over their total (100%) university effort during a given academic year, exclusive of non-academic year course schedules (summer session, mini-term, etc.) but including grants of released-time. The department head and dean may restrict compensated outside service effort to less than 20% (e.g., if a faculty member's performance of assigned university duties does not meet expectations, as found in the annual evaluation).

4. Nine-month faculty employed full-time on the university payroll during the summer months (e.g. summer school teaching, work on grants and contracts), must ensure that their annual compensated outside service activity is no more than 20% over their total (100%) university effort per academic year. For part-time summer employment, the limit of compensated outside services during the time of employment will be established by written agreement between the department head and the faculty member.
5. Twelve-month faculty and staff members are expected to perform university-related activities for a twelve-month year. Thus faculty members on twelve-month appointment are covered by the same University of Tennessee Personnel Policies and Procedures which apply to administrative or professional personnel of the university. However, to provide equitable treatment of nine-month and twelve-month faculty, the latter should normally limit their aggregated compensated outside services to no more than an additional twenty percent (20%) over their total (100%) university effort – including accrued annual leave taken and grants of released time – during a given calendar year, upon approval of the department head and dean. The department head and dean may restrict a faculty member's compensated outside service effort to less than 20% (e.g., if a faculty member's performance of assigned university duties does not meet expectations, as found in the annual evaluation).
6. While conducting compensated outside activities, no unauthorized activity is permitted involving significant direct expense to UT or significant use of university facilities, equipment, or services unless procedures and fee schedules have been established. Faculty and staff wishing to use University resources to conduct compensated outside activities must have an official written UT agreement specifying the nature of work to be performed; the kind of equipment, supplies, material, or services to be used; the extent of the use; and the amount to be paid to the University. The amount may not be less than the University's cost or a fair market value. A written agreement must be approved in advance by the appropriate department head, dean/director, and chief business officer.
7. Noncompliance with this policy for compensated outside activities may be considered as a negative factor during annual reviews, promotion and tenure decisions, salary determinations, and requests for released-time, and other institutional support (e.g., a faculty member's compensated outside activities may be limited if his/her performance of assigned activities is less-than-meets-expectations). Serious and/or continuing noncompliance also may result in other sanctions (e.g., reduction in allowable compensated outside activities, salary reduction, restitution for cost of equipment, termination for adequate cause).